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# CO-ORDINATION OF INSTRUCTION IN COLLEGIATE SCHOOLS OF BUSINESS WITH CORPORATION TRAINING COURSES<sup>1</sup>

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## FOREWORD

The inquiry with which this report is concerned was undertaken for the purpose of determining, (1) the objects and content of courses conducted by corporations for the training of graduates of higher institutions, especially graduates of business schools; (2) the advantages or disadvantages of such courses from the point of view of graduates of business schools entering the service of corporations; and (3) ways and means of co-ordinating the work of such corporation courses and that of collegiate schools of business.

To this end it appeared desirable to the Committee to exclude from the scope of the inquiry investigation of the great variety of corporation training activities conducted for the benefit of employees other than graduates of higher institutions. The Committee has therefore sought to accumulate data concerning those courses only in which graduates of business schools are likely to be enrolled.

The principal sources of data have been: questionnaires and correspondence, publications descriptive of training courses, and reports of the National Association of Corporation Schools.

## SUMMARY OF DATA RELATIVE TO TRAINING COURSES

Inquiry blanks were addressed to sixty corporations known to be interested in training courses. It was found, however, that of the corporations from whom returns were received only a few reported training courses in which graduates of business schools and other higher institutions are regularly enrolled. Of the remaining corporations making returns, the greater number report that such training courses as are being offered are conducted for other

<sup>1</sup> Report of the Committee on Co-ordination with Corporation Training Courses of the American Association of Collegiate Schools of Business, presented at the annual meeting, May, 1921.

classes of employees and for a variety of other purposes than those with which this inquiry is now concerned.

The most striking figures drawn from the returns indicate that the business depression has operated substantially to curtail training-course programs which have been conducted during the past few years, and which, up to the current year, had shown substantial growth both in enrolment and budgets. With the exception of one corporation, all reports are to the effect either that training courses for college men have been abandoned or that their enrolment for 1921 will be reduced as compared with last year.

From such data as are available, reflecting the experiences of corporations, it appears that graduates of business schools have given good accounts of themselves in competition with graduates of liberal arts colleges and of scientific and technical schools. Several corporations report, for example, that the records of business-school graduates show a lower rate of employment turnover than graduates of other classes of institutions, and that, in general, business-school men have demonstrated capacity for development as business executives. Almost without exception, also, it is reported that the training courses have yielded results satisfactory both to the corporations and to the men enrolled.

Training courses are operated for a variety of purposes. At one extreme are those courses of relatively narrow and highly specialized nature designed to train men for a single department of a business, such as, for example, accounting, auditing, selling, etc. At the other extreme, certain courses are planned to give men broad and diversified instruction in the essential branches of business administration including factory management, sales and advertising, corporation finance and banking, accounting, and other subjects typical of a business-school curriculum. The following are condensed statements of plans reported by certain corporations and illustrative of types of training courses.

#### CORPORATION A

Graduates of business administration schools will find openings in financial work, credits, and collections; accounting, auditing, selling, and distributing in both the Distributing and General Supervisory Organizations.

In general, the plan for training men in educational courses includes: actual experience in working departments, group discussions, laboratory problems, assigned reading and quizzes, observation trips, original work and studies.

The men are scheduled to work through a series of departments whose activities are of particular importance to them in their future work. The assignments include both shop and office work. The schedule is planned to give a maximum of experience for the time spent on each assignment. Other features aid the student in correlating his daily work with the various phases of the Company's business.

A series of specially prepared papers are loaned to the students to study in conjunction with their work. References are also given to articles of particular interest in current magazines and standard authoritative books.

Observation trips are made under the personal direction of an instructor, to departments other than those worked in by the students.

Students are required to write a report of the organization and duties of each department in which they work, and are invited to make suggestions regarding the routine or methods employed that would, in their opinion, tend to betterment or increased efficiency.

#### CORPORATION B

The course of training is planned to cover approximately one year. The training work begins immediately. The men are assigned to various departments, not as observers, but as regular members of the department. They are expected to feel that their success in the class depends upon their success in the various departments in which they are assigned. Reports are made by the different department heads and a careful record of the work of each man is kept in order that a definite idea may be formed by the officials of the particular phase of the organization for which the man is best fitted. The men are rotated on a definite schedule through the various departments in order that they may obtain a complete idea of the work of the institution, an opportunity seldom open to the regular staff.

In addition to their practical work in the various departments, the men in the class pursue a course of study. These classes are held before and after working hours and at noon, and are supplemented by a prescribed course of reading, special lectures and research work and, if necessary, by outside research. Examinations are held from time to time to determine progress made.

It should be noted that during the training period no distinction is made between members of the class and other members of the staff; all are considered members of a family and are subject to the same rules and regulations necessary to the smooth operation of a large institution.

#### CORPORATION C

It is aimed to accomplish the following objects:

By working for different periods of time in the various shops and offices, following out a consistent scheme of training.

By submitting, at the time of transfer from one department or division to another, a definite and concise written report on the work just completed.

By specially arranged inspection trips, both inside and outside of the plant, with brief written reports on observations and conclusions.

By a series of lectures given by company officials relating to general business problems, and especially to the problems of management existing in the plant. Written reports of these may be required.

By each training-course man subscribing to and following a course in modern business, under an organization providing university extension work of this nature.<sup>1</sup> This business course extends over a period of approximately two years. It covers the field of general business, including economics of business, organization and management, corporation finance, money and banking, insurance, accounting, selling, purchasing, advertising, commercial law, etc.

By reports on assigned readings in standard texts, current periodicals, etc.

#### CORPORATION D

This course is aimed to give training in the principles of higher accounting, to explain the essential elements of business law made necessary by governmental supervision of corporations, the tax laws, and other complexities of our modern economic life; and, lastly to apply this general knowledge concretely to the business of the company, which is necessarily intricate, owing to the size of the organization, the volume of its sales, and the wide range of articles manufactured.

The training course consists of actual employment during the business day, in one of the accounting departments where the student will become familiar with the practical work and the departmental functions. The class work will engage the best efforts of the student for eight or ten hours each week outside of the class periods, which are held two evenings a week from 5:30 to 7:30. The course is divided into semesters, described hereafter, and is in progress during the usual months of the college year.

#### OUTLINE (CONDENSED) OF TRAINING COURSE SEMESTERS A, B, C, D

Theory of accounts

Practical accounting

Commercial law

Applied economics, organization, and finance

In the plans of instruction summarized above, it will be noted that there is a tendency on the part of certain corporations to develop training courses substantially equivalent in their scope and content to the more technical parts of the typical business-school

<sup>1</sup> This company reports that for graduates of business schools the period of training may be shortened on evidence of having completed the work elsewhere.

curriculum. In this connection it is found also that of the corporations reporting only a few indicate that a business-school graduate is allowed credit for instruction covering the same field already completed in his college course.

The data in hand also show a variety of training methods. The plan reported by the largest number of corporations provides for the rotation of students through several operating departments of a business, combined with conferences, observation trips, required reports of observations, and occasional lectures by officers of a corporation. In most cases, this plan is directed by the training course supervisor and his assistants in co-operation with departmental heads.

Several corporations report a plan which combines part-time class work, either day or evening, with rotation through operating departments. This plan is usually carried out under the supervision of a training-course director and staff, and includes observation trips, reports, and occasional lectures.

In but few cases are there indications that corporations favor extended periods of class work without equal or longer periods of work in operating departments. Those companies of the longest and most successful training experience seem to have found that graduates of higher institutions react most favorably and produce better results in work which affords the incentive and atmosphere of a going business concern than under conditions which tend to reproduce the earmarks of the academic classroom.

#### CONCLUSIONS

It ought to be recognized, we believe, in view of the probable growth of the training-school idea and the larger number of business-school graduates likely to enter upon their business careers by the way of such training courses, that certain unfavorable conditions have appeared and are likely to continue in greater or less degree. To many a promising young man, for example, a corporation training course may offer a short cut to assured employment, with the added inducement of a course of training, with pay, leading to interesting work and probable preferment for advancement. If we assume that many men are to be attracted away from opportunities for gaining the advantages of a liberal

college training and from the professional instruction afforded by schools of business, we are forced to the conclusion that the interests of the corporations, of the young men, and even of the community, are not likely to be served in largest measure.

Moreover, the disadvantages which the business-school graduate entering upon a training course may in some cases experience ought not to be overlooked. He is interested most of all to obtain footing in a business offering him opportunity to realize on his educational investment in terms of profitable experience and steady advancement. A training course ought certainly to give him such footing. He has also been taught that with all his educational background he must yet begin at the bottom of the ladder. A training course may appeal to him as the most helpful means of gaining a broad perspective of a complex business organization as well as a familiarity with highly specialized routine, both of which he knows must be acquired if he is to progress. Attracted by these inducements to seek enrolment in a training course, and even if he gives an excellent account of himself in the work of the course, he may, through no fault of his own, meet with disappointment.

He may, for instance, be the victim of faulty methods used in the selection of men for enrolment in the course. Corporations have not yet mastered the fine art of discovering in a single interview the fundamental traits of aptitude, tastes, and temperament which so definitely determine a man's fitness for particular activities. Nor are deans and professors always to be relied upon for judicious recommendations when graduates are many and jobs are few. Wherever the fault may lie, a man who is placed in a course designed to train him for work for which he is not and cannot be adapted, is wrongly placed, and the result is loss and waste to all concerned.

In no better case is the business-school man who finds himself in a training course admirably adapted to the needs of a Bachelor of Arts, and who is required to pursue courses which repeat or duplicate courses creditably passed in the school of which he is a graduate.

A poorly planned and conducted course of training, even when operated for most practical reasons and by most practical men, with the support of a great business concern, may defeat its own

ends. It may take away more enthusiasm and loyalty than can possibly be regained from the inspiration which normally comes to a man who feels himself to be a part of a live, productive institution.

To make the training course serve as a means of selecting men as well as training them, is a perfectly natural and desirable thing. But when a corporation is tempted to subordinate the training function of the course to the selective function, to a degree which may mean that all but a few brilliant men are either eliminated or sidetracked, the training course belies its name and continues under false pretenses.

In drawing attention to the possible shortcomings that may exist in some corporation training schools and to the positive harm which may come from misplaced emphasis and wrong ideas in the training-school plan, the Committee would not have it assumed that the corporation training-school principle is not approved. We believe, on the contrary, that a period of training, well planned and administered, may offer very real advantages to the graduate of a business school. There is abundant evidence that corporations may work very effectively in co-operation with educational institutions in the selection of men for training designed to prepare for large affairs. A carefully planned course of training may be the most effective means of enabling a young man to gain the perspective which he so greatly needs in the initial stages of his business experience. If the training plan offers a balanced program of practical work in operating departments under the supervision and guidance of a capable staff, combined with such other instructional exercises as may, in a given case, have been found useful, it is believed that the interests of the business-school graduate, as well as of his employer, are likely to be well served. In short, the Committee believes that the training course idea, if rightly conceived and wisely administered by a corporation, holds out to the business-school graduate opportunities that are at once substantial and full of promise.

From the investigation the Committee has drawn certain conclusions relative to the type of corporation training which is likely to operate most favorably to the mutual interest of the business-school graduate and the corporation which employs him.



## PURPOSE OF TRAINING

We believe, in the first place, that in the definition of its purpose a training plan should have primary regard for economy of time. In the second place, we believe that the cultivation and capitalization of all those elements of enthusiasm, ambition, and instinctive loyalty which constitute morale should be recognized as offering the most productive means of developing man power. In so far, then, as the training course can be planned to provide a natural and helpful transition from the business school to the actualities of business service, we believe it will serve its largest, most useful purpose.

More specifically, the preferred type of corporation training should be designed to introduce the man into the business environment and atmosphere, giving him opportunity to gain the broadest possible view of the scope, structure, functions, and problems of the corporate organization. Of equal importance is the provision for acquiring through first-hand contact, some knowledge of the nature, relationships, and significance of routine procedures.

One of the main objects of the course should be to develop sound methods of selecting men, for assignment to positions according to tested aptitudes and preferences for particular fields of service. The training course, wherever practicable, should also serve as a reservoir of material available for the development of executive personnel for the largest number of departments in the business.

## LENGTH OF TRAINING PERIOD

The reports received show wide variation in the length of training period. The shortest course reported may be completed in two months; the longest course, which combines work in operating departments with five semesters of class work, two evenings a week, extends over a period of thirty months. The corporations which have the most extensive background of training experience have tended to shorten rather than lengthen the training period. This tendency is significant, for it seems to suggest that training which is spread over too long a period, however well it may otherwise be organized and conducted, is likely to fall short of achieving its purposes.

The time devoted to training should be made as brief as may be consistent in a given case with the accomplishment of the different purposes. To this end the ripeness of the individual for assuming responsibility should determine the time of his assignment to productive work, for there is no virtue in holding a man to a stated training period after the course has fulfilled its purpose.

#### ORGANIZATION

The place occupied by the training course and its staff in the organization appears at times to have definite bearing upon the success of the training plan. In some cases a course is an adjunct of a single operating department, and the entire training program is shaped to meet the requirements of that department alone. Given efficient methods of selecting men for enrolment, such a program of training may produce excellent results. But the proportion of misfits in such a course is likely to be large as compared with a course offering a greater variety of outlets for different types of ability and aptitude. From the point of view of the men enrolled, therefore, a course which is designed to prepare men for the largest number of departments has distinct advantages. This suggests in turn that the training-course staff should be so placed in the organization that the scope of its work is not unduly restricted as the result of being made subordinate to an officer low in the scale of authority and too narrowly interested in securing only one kind of new blood.

#### WORK IN OPERATING DEPARTMENTS

From the point of view of the business-school graduate, the most valuable feature of the training program is probably to be found in a well-planned and supervised rotation of assignments to work in operating departments. This is a difficult thing to do well, but where the plan has been developed successfully, the results appear to have been thoroughly and increasingly worth while. If the man is able almost immediately to feel that he is not a mere spectator going through imitative motions, but that he is a part, even a very minute part, of productive processes, he is likely to learn more and learn it better than if he is held back from the realities by an irksome, unnecessary probation.

## SUPERVISION

Well-organized supervision by the training-course staff during the period of assignment to work in operating departments seems to be an essential part of the plan. In co-operation with heads of departments, the work can be planned, followed up, and rated according to the performance of the man. Conferences with training groups and individuals enable the staff to foster and preserve the sense of relations and proportions which is so weighty a factor in the beginner's early experience. Putting a man on his own and leaving him to sink or swim has time-honored virtues as a process of selection. Like many other rough-and-ready methods of the exploiting past, however, the resulting waste of man power is excessive. Modern ideas of personnel development recognize that the beginner in business may often be helped, not by coddling, but by sympathetic guidance, to bring out latent capacity which the rigors of initiation into business may sometimes retard or blight. This is the spirit of the best training organizations, and it is the spirit which pays.

## CLASSROOM INSTRUCTION

Organized classroom instruction may be made a useful part of the training program for some fields of business, especially where the corporate unit is large and complex in its organization. This statement is made with due regard for the business-school graduate, and the equipment which he brings from his college, however excellent that equipment may be. It is the exceptional man who does not need and who will not greatly profit from the opportunity of gaining a bird's-eye view of a great organization, along with some systematic instruction in the technique and problems peculiar to the business.

To the business-school man, however, classroom studies in which a corporation requires him to cover ground already covered in his college course may do as much harm as good. The chances are that he has carried away from his business-school course as much as he can extract from any further instruction covering the same ground. What he wants and needs most are new lessons and the consciousness of making progress; anything short of this tends to hold him back, not to draw him on.

If classroom work is to be offered to, and required of, a business-school graduate, the subject-matter of instruction ought in general to be concerned specifically with the affairs of the corporation and the field in which it operates. It should give him both breadth and intimacy of knowledge of the business in hand. And for this purpose the training-course staff has facilities which no business school possesses in like measure. The corporation offers the field and the material for a laboratory par excellence. Why go afield for a ready-made correspondence-school course in business administration or any of its branches? Or why laboriously follow obsolete educational precedents and develop a curriculum of abstract generalizations administered by the principle of absent treatment? If the affairs of the corporation itself cannot be drawn upon for a superabundance of facts, principles, problems, projects and all the other modern essentials of a first-class plan of instruction, then class work seems to have no place in the training-course program.

#### OTHER TRAINING DEVICES

Various other training-course activities have stood the test of experience and recommend themselves for inclusion in the plans of those corporations to whose needs and situation they may be adapted. Lectures by principal officers and specialists, observation trips, reports and discussions, and other supplementary features too numerous to detail here have been employed with advantage.

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In the light of experience and abundant evidence, the corporation training-course idea appears to have established itself with permanence and broad possibilities in prospect. To the business school, the idea has much to commend itself. Neither the corporation nor the business school, however, has scratched the surface of opportunities for effecting needed co-operation or for exploiting the possibilities of co-ordinated effort.

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